

AMENDED IN ASSEMBLY MARCH 12, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 1844

Introduced by Assembly Member Hernandez
(Principal coauthor: Senator Wiggins)

January 28, 2008

An act to add Section 22010 to the Education Code, to amend ~~Sections Section 7504 and 7507~~ of, to add Sections 7504.5 and 31455.5 to, and to add Article 3 (commencing with Section 20085) to Chapter 1 of Part 3 of Division 5 of Title 2 of, the Government Code, to amend Section 1877.1 of, and to add Section 1877.35 to, the Insurance Code, and to amend Section 1095 of the Unemployment Insurance Code, relating to public employee benefits.

LEGISLATIVE COUNSEL'S DIGEST

AB 1844, as amended, Hernandez. Public employee benefits.

(1) Existing law provides that it is a crime to make a knowingly false material statement or representation for the purpose of obtaining workers' compensation, or supporting or denying a workers' compensation claim. The Public Employees' Retirement Law, the Teachers' Retirement Law, and the County Employees Retirement Law of 1937 prescribe the rights, benefits, and duties of members of the retirement systems established by those laws.

This bill would make it a crime for a person to make or present false material statements and representations in connection with those retirement systems' benefits and applications, as specified, or to aid or abet someone in this regard. The bill would also make it a crime for a person to knowingly accept, with the intent to keep for personal benefit, a payment from any of those retirement systems with the knowledge

that ~~one~~ *he or she* was not entitled to the benefit. The bill would provide that a violation of these provisions is punishable by up to one year in a county jail, or a fine, or both, and restitution, as specified. The bill would require any restitution order imposed to be satisfied before any criminal fine imposed may be collected, and would further provide that its provisions are cumulative. By creating a new crime or expanding an existing crime, the bill would create a state-mandated local program.

(2) Existing law requires an insurer, upon written request of an authorized governmental agency, as defined, to release to the agency all relevant information deemed important to the agency that the insurer may possess relating to any specific workers' compensation insurance fraud investigation.

This bill would authorize the Public Employees' Retirement System to obtain information from an insurer for purposes of determining the eligibility of a member, or unlawful application or receipt of benefits, under the Public Employees' Retirement System, and would add the Public Employees' Retirement System to the list of authorized governmental agencies to which an insurer is required to release that information, as specified.

(3) Existing law authorizes the Director of the Employment Development Department to permit the use of information in his or her possession for specified purposes.

This bill would additionally authorize the director to release specified information to the Public Employees' Retirement System. The bill would also make nonsubstantive changes.

(4) Existing law requires all state and local retirement systems to secure, not less than triennially, the services of an enrolled actuary, who is to perform a valuation of the system. Existing law requires all state and local public retirement systems to secure the services of a qualified person to perform an attest audit of the system's financial statements and to provide reports in this regard to the Controller. Existing law requires the Controller to review these reports and requires the Controller to publish an annual report on the financial condition of all state and local public retirement systems, as specified.

This bill would require the Controller's report to be published within 12 months of the receipt of the information, and in no case later than 18 months after the end of the fiscal year upon which the information in the report is based. The bill would also require an agency that provides postretirement benefits other than public retirement plan pension benefits to report specified information in regard to the other postretirement

benefits to the Controller. By increasing the duties of local agencies, this bill would impose a state-mandated local program. The bill would require the Controller to develop a simple and inexpensive procedure for collecting and reporting this information.

~~(5) Existing law requires the Legislature and local legislative bodies to secure the services of an enrolled actuary to provide a statement of the actuarial impact upon future annual costs before authorizing increases in public retirement plan benefits. Existing law requires the future annual costs of the public retirement plan benefits, as determined by the actuary, to be made public at a public meeting at least 2 weeks prior to the adoption of any increases in the benefits.~~

~~The bill would require the actuary's statement of the actuarial impact upon future annual costs to include normal cost and any additional accrued liability. The bill would also require that, upon adoption of a new benefit, the person with the responsibilities of a chief executive officer in the agency providing the benefit to acknowledge in writing that he or she understands the current and future cost of the benefit as determined by the actuary. By increasing the duties of local officers, this bill would impose a state-mandated local program. The bill would except from these provisions a school district or a county office of education.~~

~~(6)–~~

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares the following:
- 2 (a) The Public Employee Post-Employment Benefits
- 3 Commission was jointly formed by the Governor and the
- 4 Legislature to determine how best to fund post employment

1 benefits for the employees and retirees of California's state and
2 local governments.

3 (b) The Public Employee Post-Employment Benefits
4 Commission concluded that the best way to ensure that these
5 benefits are delivered as promised is to prefund them.

6 (c) The Public Employee Post-Employment Benefits
7 Commission further concluded that in order to gain and maintain
8 public support for these benefits, the benefits should be adopted
9 in well-noticed public hearings, with their costs clearly and publicly
10 reported annually, and any fraud or abuse addressed directly.

11 SEC. 2. Section 22010 is added to the Education Code, to read:
12 22010. (a) It is unlawful for a person to do any of the
13 following:

14 (1) Make, or cause to be made, any knowingly false material
15 statement or material representation, to knowingly fail to disclose
16 a material fact, or to otherwise provide false information with the
17 intent to use it, or allow it to be used, to obtain, receive, continue,
18 increase, deny, or reduce any benefit administered by this system.

19 (2) Present, or cause to be presented, any knowingly false
20 material statement or material representation for the purpose of
21 supporting or opposing an application for any benefit administered
22 by this system.

23 (3) Knowingly accept or obtain payment from this system with
24 knowledge that the recipient is not entitled to the payment under
25 the provisions of this part and with the intent to retain the payment
26 for personal use or benefit.

27 (4) Knowingly aid, abet, solicit, or conspire with any person to
28 do an act prohibited by this section.

29 (b) For purposes of this section, "statement" includes, but is not
30 limited to, any oral or written application for benefits, report of
31 family relationship, report of injury or physical or mental
32 limitation, hospital records, test results, physician reports, or other
33 medical records, employment records, duty statements, reports of
34 compensation, or any other evidence material to the determination
35 of a person's initial or continued eligibility for a benefit or the
36 amount of a benefit administered by this system.

37 (c) A person who violates any provision of this section is
38 punishable by imprisonment in a county jail not to exceed one
39 year, or by a fine of not more than twenty thousand dollars
40 (\$20,000), or both that imprisonment and fine.

1 (d) A person violating any provision of this section may be
2 required by the court in a criminal action to make restitution to
3 this system, or to any other person determined by the court, for
4 the amount of the benefit unlawfully obtained, unless the court
5 finds that restitution, or a portion of it, is not in the interests of
6 justice. Any restitution order imposed pursuant to this section shall
7 be satisfied before any criminal fine imposed under this section
8 may be collected.

9 (e) The provisions provided by this section are cumulative and
10 shall not be construed as restricting the application of any other
11 law.

12 SEC. 3. Section 7504 of the Government Code is amended to
13 read:

14 7504. (a) All state and local public retirement systems shall,
15 not less than triennially, secure the services of an enrolled actuary.
16 An enrolled actuary, for the purposes of this section, means an
17 actuary enrolled under subtitle C of Title III of the federal
18 Employee Retirement Income Security Act of 1974 (Public Law
19 93-406) and who has demonstrated experience in public retirement
20 systems. The actuary shall perform a valuation of the system
21 utilizing actuarial assumptions and techniques established by the
22 agency that are, in the aggregate, reasonably related to the
23 experience and the actuary's best estimate of anticipated experience
24 under the system. Any differences between the actuarial
25 assumptions and techniques used by the actuary that differ
26 significantly from those established by the agency shall be
27 disclosed in the actuary's report and the effect of the differences
28 on the actuary's statement of costs and obligations shall be shown.

29 (b) All state and local public retirement systems shall secure
30 the services of a qualified person to perform an attest audit of the
31 system's financial statements. A qualified person means any of
32 the following:

33 (1) A person who is licensed to practice as a certified public
34 accountant in this state by the California Board of Accountancy.

35 (2) A person who is registered and entitled to practice as a public
36 accountant in this state by the California Board of Accountancy.

37 (3) A county auditor in any county subject to the County
38 Employees Retirement Law of 1937 (Chapter 3 (commencing with
39 Section 31450) of Part 3 of Division 4 of Title 3).

1 (4) A county auditor in any county having a pension trust and
2 retirement plan established pursuant to Section 53216.

3 (c) All state and local public retirement systems shall submit
4 audited financial statements to the State Controller at the earliest
5 practicable opportunity within six months of the close of each
6 fiscal year. However, the State Controller may delay the filing date
7 for reports due in the first year until the time as report forms have
8 been developed that, in his or her judgment, will satisfy the
9 requirements of this section. The financial statements shall be
10 prepared in accordance with generally accepted accounting
11 principles in the form and manner prescribed by the State
12 Controller. The penalty prescribed in Section 53895 shall be
13 invoked for failure to comply with this section. Upon a satisfactory
14 showing of good cause, the State Controller may waive the penalty
15 for late filing provided by this subdivision.

16 (d) The State Controller shall compile and publish a report
17 annually on the financial condition of all state and local public
18 retirement systems containing, but not limited to, the data required
19 in Section 7502. The report shall be published within 12 months
20 of the receipt of the information, and in no case later than 18
21 months after the end of the fiscal year upon which the information
22 in the report is based.

23 SEC. 4. Section 7504.5 is added to the Government Code, to
24 read:

25 7504.5. Any agency that provides postretirement benefits other
26 than public retirement plan pension benefits shall also report
27 information in regard to the other postretirement benefits to the
28 Controller. The information in this report shall be that information
29 contained in the agency's Government Accounting Standards
30 Board (GASB) Statement 45 actuarial valuation report, for the
31 relevant period, and in the agency's GASB 45 footnote. The
32 Controller shall develop a simple and inexpensive procedure for
33 collecting and reporting this information, which shall be included
34 in the report published by the Controller pursuant to Section 7405
35 7504.

36 ~~SEC. 5. Section 7507 of the Government Code is amended to~~
37 ~~read:~~

38 ~~7507. (a) The Legislature and local legislative bodies shall~~
39 ~~secure the services of an enrolled actuary to provide a statement~~
40 ~~of the actuarial impact upon future annual costs, including normal~~

1 ~~cost and any additional accrued liability, before authorizing~~
2 ~~increases in public retirement plan benefits. An “enrolled actuary”~~
3 ~~means an actuary enrolled under subtitle C of Title III of the federal~~
4 ~~Employee Retirement Income Security Act of 1974 and “future~~
5 ~~annual costs” shall include, but not be limited to, annual dollar~~
6 ~~increases or the total dollar increases involved when available, as~~
7 ~~well as normal cost and any additional accrued liability.~~

8 ~~(b) The future annual costs as determined by the actuary shall~~
9 ~~be made public at a public meeting at least two weeks prior to the~~
10 ~~adoption of any increases in public retirement plan benefits. Upon~~
11 ~~adoption of a new benefit, the person with the responsibilities of~~
12 ~~a chief executive officer in the agency providing the benefit,~~
13 ~~however that person is denominated, shall acknowledge in writing~~
14 ~~that he or she understands the current and future cost of the benefit~~
15 ~~as determined by the actuary.~~

16 ~~(c) The requirements of this section do not apply to a school~~
17 ~~district or a county office of education.~~

18 ~~SEC. 6.~~

19 *SEC. 5.* Article 3 (commencing with Section 20085) is added
20 to Chapter 1 of Part 3 of Division 5 of Title 2 of the Government
21 Code, to read:

22
23 Article 3. Penalties
24

25 20085. (a) It is unlawful for a person to do any of the
26 following:

27 (1) Make, or cause to be made, any knowingly false material
28 statement or material representation, to knowingly fail to disclose
29 a material fact, or to otherwise provide false information with the
30 intent to use it, or allow it to be used, to obtain, receive, continue,
31 increase, deny, or reduce any benefit administered by this system.

32 (2) Present, or cause to be presented, any knowingly false
33 material statement or material representation for the purpose of
34 supporting or opposing an application for any benefit administered
35 by this system.

36 (3) Knowingly accept or obtain payment from this system with
37 knowledge that the recipient is not entitled to the payment under
38 the provisions of this part and with the intent to retain the payment
39 for personal use or benefit.

(4) Knowingly aid, abet, solicit, or conspire with any person to do an act prohibited by this section.

(b) For purposes of this section, “statement” includes, but is not limited to, any oral or written application for benefits, report of family relationship, report of injury or physical or mental limitation, hospital records, test results, physician reports, or other medical records, employment records, duty statements, reports of compensation, or any other evidence material to the determination of a person’s initial or continued eligibility for a benefit or the amount of a benefit administered by this system.

(c) A person who violates any provision of this section is punishable by imprisonment in a county jail not to exceed one year, or by a fine of not more than twenty thousand dollars (\$20,000), or both that imprisonment and fine.

(d) A person violating any provision of this section may be required by the court in a criminal action to make restitution to this system, or to any other person determined by the court, for the amount of the benefit unlawfully obtained, unless the court finds that restitution, or a portion of it, is not in the interests of justice. Any restitution order imposed pursuant to this section shall be satisfied before any criminal fine imposed under this section may be collected.

(e) The provisions provided by this section are cumulative and shall not be construed as restricting the application of any other law.

~~SEC. 7.~~

SEC. 6. Section 31455.5 is added to the Government Code, to read:

31455.5. (a) It is unlawful for a person to do any of the following:

(1) Make, or cause to be made, any knowingly false material statement or material representation, to knowingly fail to disclose a material fact, or to otherwise provide false information with the intent to use it, or allow it to be used, to obtain, receive, continue, increase, deny, or reduce any benefit accrued or accruing to a person under this chapter.

(2) Present, or cause to be presented, any knowingly false material statement or material representation for the purpose of supporting or opposing an application for any benefit accrued or accruing to a person under this chapter.

1 (3) Knowingly accept or obtain payment from a retirement
2 system with knowledge that the recipient is not entitled to the
3 payment under the provisions of this chapter and with the intent
4 to retain the payment for personal use or benefit.

5 (4) Knowingly aid, abet, solicit, or conspire with any person to
6 do an act prohibited by this section.

7 (b) For purposes of this section, “statement” includes, but is not
8 limited to, any oral or written application for benefits, report of
9 family relationship, report of injury or physical or mental
10 limitation, hospital records, test results, physician reports, or other
11 medical records, employment records, duty statements, reports of
12 compensation, or any other evidence material to the determination
13 of a person’s initial or continued eligibility for a benefit or the
14 amount of a benefit accrued or accruing to a person under this
15 chapter.

16 (c) A person who violates any provision of this section is
17 punishable by imprisonment in a county jail not to exceed one
18 year, or by a fine of not more than twenty thousand dollars
19 (\$20,000), or both that imprisonment and fine.

20 (d) A person violating any provision of this section may be
21 required by the court in a criminal action to make restitution to the
22 retirement system, or to any other person determined by the court,
23 for the amount of the benefit unlawfully obtained, unless the court
24 finds that restitution, or a portion of it, is not in the interests of
25 justice. Any restitution order imposed pursuant to this section shall
26 be satisfied before any criminal fine imposed under this section
27 may be collected.

28 (e) The provisions provided by this section are cumulative and
29 shall not be construed as restricting the application of any other
30 law.

31 ~~SEC. 8.~~

32 *SEC. 7.* Section 1877.1 of the Insurance Code is amended to
33 read:

34 1877.1. The following definitions govern the construction of
35 this article, unless the context requires otherwise:

36 (a) “Authorized governmental agency” means the district
37 attorney of any county, any city attorney whose duties include
38 criminal prosecutions, any law enforcement agency investigating
39 workers’ compensation fraud, the office of the Attorney General,
40 the Department of Insurance, the Department of Industrial

1 Relations, the Employment Development Department, the
2 Department of Corrections and Rehabilitation, the Public
3 Employees' Retirement System, and any licensing agency governed
4 by the Business and Professions Code.

5 (b) "Relevant" means having a tendency to make the existence
6 of any fact that is of consequence to the investigation or
7 determination of an issue more probable or less probable than it
8 would be without the information.

9 (c) "Insurer" means an insurer admitted to transact workers'
10 compensation insurance in this state, the State Compensation
11 Insurance Fund, an employer that has secured a certificate of
12 consent to self-insure pursuant to subdivision (b) or (c) of Section
13 3700 of the Labor Code, or a third-party administrator that has
14 secured a certificate pursuant to Section 3702.1 of the Labor Code.

15 (d) "Licensed rating organization" means a rating organization
16 licensed by the Insurance Commissioner pursuant to Section
17 11750.1.

18 (e) Information shall be deemed important if, within the sole
19 discretion of the authorized governmental agency, that information
20 is requested by that authorized governmental agency.

21 ~~SEC. 9.~~

22 *SEC. 8.* Section 1877.35 is added to the Insurance Code, to
23 read:

24 1877.35. (a) The Public Employees' Retirement System may
25 request information from an insurer for any specific investigation
26 of eligibility for, and unlawful application or receipt of, benefits
27 provided under Part 3 (commencing with Section 20000) of
28 Division 5 of Title 2 of the Government Code.

29 (b) Information received by the Public Employees' Retirement
30 System pursuant to this article may be used for purposes of
31 determining eligibility for, and unlawful application or receipt of,
32 benefits provided under Part 3 (commencing with Section 20000)
33 of Division 5 of Title 2 of the Government Code.

34 ~~SEC. 10.~~ Section 1095 of the Unemployment Insurance Code
35 is amended to read:

36 ~~1095. The director shall permit the use of any information in~~
37 ~~his or her possession to the extent necessary for any of the~~
38 ~~following purposes and may require reimbursement for all direct~~
39 ~~costs incurred in providing any and all information specified in~~

1 this section, except information specified in subdivisions (a) to
2 (e), inclusive:

3 (a) ~~To enable the director or his or her representative to carry~~
4 ~~out his or her responsibilities under this code.~~

5 (b) ~~To properly present a claim for benefits.~~

6 (c) ~~To acquaint a worker or his or her authorized agent with his~~
7 ~~or her existing or prospective right to benefits.~~

8 (d) ~~To furnish an employer or his or her authorized agent with~~
9 ~~information to enable him or her to fully discharge his or her~~
10 ~~obligations or safeguard his or her rights under this division or~~
11 ~~Division 3 (commencing with Section 9000).~~

12 (e) ~~To enable an employer to receive a reduction in contribution~~
13 ~~rate.~~

14 (f) ~~To enable federal, state, or local government departments~~
15 ~~or agencies, subject to federal law, to verify or determine the~~
16 ~~eligibility or entitlement of an applicant for, or a recipient of, public~~
17 ~~social services provided pursuant to Division 9 (commencing with~~
18 ~~Section 10000) of the Welfare and Institutions Code, or Part A of~~
19 ~~Title IV of the Social Security Act, where the verification or~~
20 ~~determination is directly connected with, and limited to, the~~
21 ~~administration of public social services.~~

22 (g) ~~To enable county administrators of general relief or~~
23 ~~assistance, or their representatives, to determine entitlement to~~
24 ~~locally provided general relief or assistance, where the~~
25 ~~determination is directly connected with, and limited to, the~~
26 ~~administration of general relief or assistance.~~

27 (h) ~~To enable state or local governmental departments or~~
28 ~~agencies to seek criminal, civil, or administrative remedies in~~
29 ~~connection with the unlawful application for, or receipt of, relief~~
30 ~~provided under Division 9 (commencing with Section 10000) of~~
31 ~~the Welfare and Institutions Code or to enable the collection of~~
32 ~~expenditures for medical assistance services pursuant to Part 5~~
33 ~~(commencing with Section 17000) of Division 9 of the Welfare~~
34 ~~and Institutions Code.~~

35 (i) ~~To provide any law enforcement agency with the name,~~
36 ~~address, telephone number, birth date, social security number,~~
37 ~~physical description, and names and addresses of present and past~~
38 ~~employers, of any victim, suspect, missing person, potential~~
39 ~~witness, or person for whom a felony arrest warrant has been~~
40 ~~issued, when a request for this information is made by any~~

~~investigator or peace officer as defined by Sections 830.1 and 830.2 of the Penal Code, or by any federal law enforcement officer to whom the Attorney General has delegated authority to enforce federal search warrants, as defined under Sections 60.2 and 60.3 of Title 28 of the Code of Federal Regulations, as amended, and when the requesting officer has been designated by the head of the law enforcement agency and requests this information in the course of and as a part of an investigation into the commission of a crime when there is a reasonable suspicion that the crime is a felony and that the information would lead to relevant evidence. The information provided pursuant to this subdivision shall be provided to the extent permitted by federal law and regulations, and to the extent the information is available and accessible within the constraints and configurations of existing department records. Any person who receives any information under this subdivision shall make a written report of the information to the law enforcement agency that employs him or her, for filing under the normal procedures of that agency.~~

~~(1) This subdivision shall not be construed to authorize the release to any law enforcement agency of a general list identifying individuals applying for or receiving benefits.~~

~~(2) The department shall maintain records pursuant to this subdivision only for periods required under regulations or statutes enacted for the administration of its programs.~~

~~(3) This subdivision shall not be construed as limiting the information provided to law enforcement agencies to that pertaining only to applicants for, or recipients of, benefits.~~

~~(4) The department shall notify all applicants for benefits that release of confidential information from their records will not be protected should there be a felony arrest warrant issued against the applicant or in the event of an investigation by a law enforcement agency into the commission of a felony.~~

~~(j) To provide public employee retirement systems in California with information relating to the earnings of any person who has applied for or is receiving a disability income, disability allowance, or disability retirement allowance, from a public employee retirement system. The earnings information shall be released only upon written request from the governing board specifying that the person has applied for or is receiving a disability allowance or disability retirement allowance from its retirement system. The~~

1 request may be made by the chief executive officer of the system
2 or by an employee of the system so authorized and identified by
3 name and title by the chief executive officer in writing.

4 ~~(k) To enable the Division of Labor Standards Enforcement in~~
5 ~~the Department of Industrial Relations to seek criminal, civil, or~~
6 ~~administrative remedies in connection with the failure to pay, or~~
7 ~~the unlawful payment of, wages pursuant to Chapter 1~~
8 ~~(commencing with Section 200) of Part 1 of Division 2 of, and~~
9 ~~Chapter 1 (commencing with Section 1720) of Part 7 of Division~~
10 ~~2 of, the Labor Code.~~

11 ~~(l) To enable federal, state, or local governmental departments~~
12 ~~or agencies to administer child support enforcement programs~~
13 ~~under Title IV of the Social Security Act (42 U.S.C. Sec. 651 et~~
14 ~~seq.).~~

15 ~~(m) To provide federal, state, or local governmental departments~~
16 ~~or agencies with wage and claim information in its possession that~~
17 ~~will assist those departments and agencies in the administration~~
18 ~~of the Victims of Crime Program or in the location of victims of~~
19 ~~crime who, by state mandate or court order, are entitled to~~
20 ~~restitution that has been or can be recovered.~~

21 ~~(n) To provide federal, state, or local governmental departments~~
22 ~~or agencies with information concerning any individuals who are~~
23 ~~or have been:~~

24 ~~(1) Directed by state mandate or court order to pay restitution,~~
25 ~~finances, penalties, assessments, or fees as a result of a violation of~~
26 ~~law.~~

27 ~~(2) Delinquent or in default on guaranteed student loans or who~~
28 ~~owe repayment of funds received through other financial assistance~~
29 ~~programs administered by those agencies. The information released~~
30 ~~by the director for the purposes of this paragraph shall not include~~
31 ~~unemployment insurance benefit information.~~

32 ~~(o) To provide an authorized governmental agency with any or~~
33 ~~all relevant information that relates to any specific workers'~~
34 ~~compensation insurance fraud investigation. The information shall~~
35 ~~be provided to the extent permitted by federal law and regulations.~~
36 ~~For the purposes of this subdivision, "authorized governmental~~
37 ~~agency" means the district attorney of any county, the office of~~
38 ~~the Attorney General, the Department of Industrial Relations, and~~
39 ~~the Department of Insurance. An authorized governmental agency~~
40 ~~may disclose this information to the State Bar, the Medical Board~~

1 of California, or any other licensing board or department whose
2 licensee is the subject of a workers' compensation insurance fraud
3 investigation. This subdivision shall not prevent any authorized
4 governmental agency from reporting to any board or department
5 the suspected misconduct of any licensee of that body.

6 ~~(p) To enable the Director of the Bureau for Private~~
7 ~~Postsecondary and Vocational Education, or his or her~~
8 ~~representatives, to access unemployment insurance quarterly wage~~
9 ~~data on a case-by-case basis to verify information on school~~
10 ~~administrators, school staff, and students provided by those schools~~
11 ~~who are being investigated for possible violations of Chapter 7~~
12 ~~(commencing with Section 94700) of Part 59 of the Education~~
13 ~~Code.~~

14 ~~(q) To provide employment tax information to the tax officials~~
15 ~~of Mexico, if a reciprocal agreement exists. For purposes of this~~
16 ~~subdivision, "reciprocal agreement" means a formal agreement to~~
17 ~~exchange information between national taxing officials of Mexico~~
18 ~~and taxing authorities of the State Board of Equalization, the~~
19 ~~Franchise Tax Board, and the Employment Development~~
20 ~~Department. Furthermore, the reciprocal agreement shall be limited~~
21 ~~to the exchange of information that is essential for tax~~
22 ~~administration purposes only. Taxing authorities of the State of~~
23 ~~California shall be granted tax information only on California~~
24 ~~residents. Taxing authorities of Mexico shall be granted tax~~
25 ~~information only on Mexican nationals.~~

26 ~~(r) To enable city and county planning agencies to develop~~
27 ~~economic forecasts for planning purposes. The information shall~~
28 ~~be limited to businesses within the jurisdiction of the city or county~~
29 ~~whose planning agency is requesting the information, and shall~~
30 ~~not include information regarding individual employees.~~

31 ~~(s) To provide the State Department of Developmental Services~~
32 ~~with wage and employer information that will assist in the~~
33 ~~collection of moneys owed by the recipient, parent, or any other~~
34 ~~legally liable individual for services and supports provided pursuant~~
35 ~~to Chapter 9 (commencing with Section 4775) of Division 4.5 of,~~
36 ~~and Chapter 2 (commencing with Section 7200) and Chapter 3~~
37 ~~(commencing with Section 7500) of Division 7 of, the Welfare~~
38 ~~and Institutions Code.~~

1 ~~(t) Nothing in this section shall be construed to authorize or~~
2 ~~permit the use of information obtained in the administration of this~~
3 ~~code by any private collection agency.~~

4 ~~(u) The disclosure of the name and address of an individual or~~
5 ~~business entity that was issued an assessment that included~~
6 ~~penalties under Section 1128 or 1128.1 shall not be in violation~~
7 ~~of Section 1094 if the assessment is final. The disclosure may also~~
8 ~~include any of the following:~~

9 ~~(1) The total amount of the assessment.~~

10 ~~(2) The amount of the penalty imposed under Section 1128 or~~
11 ~~1128.1 that is included in the assessment.~~

12 ~~(3) The facts that resulted in the charging of the penalty under~~
13 ~~Section 1128 or 1128.1.~~

14 ~~(v) To enable the Contractors' State License Board to verify~~
15 ~~the employment history of an individual applying for licensure~~
16 ~~pursuant to Section 7068 of the Business and Professions Code.~~

17 ~~(w) To provide any peace officer with the Division of~~
18 ~~Investigation in the Department of Consumer Affairs information~~
19 ~~pursuant to subdivision (i) when the requesting peace officer has~~
20 ~~been designated by the Chief of the Division of Investigations and~~
21 ~~requests this information in the course of and in part of an~~
22 ~~investigation into the commission of a crime or other unlawful act~~
23 ~~when there is reasonable suspicion to believe that the crime or act~~
24 ~~may be connected to the information requested and would lead to~~
25 ~~relevant information regarding the crime or unlawful act.~~

26 ~~(x) To enable the Public Employees' Retirement System to seek~~
27 ~~criminal, civil, or administrative remedies in connection with the~~
28 ~~unlawful application for, or receipt of, benefits provided under~~
29 ~~Part 3 (commencing with Section 20000) of Division 5 of Title 2~~
30 ~~of the Government Code.~~

31 *SEC. 9. Section 1095 of the Unemployment Insurance Code is*
32 *amended to read:*

33 1095. The director shall permit the use of any information in
34 his or her possession to the extent necessary for any of the
35 following purposes and may require reimbursement for all direct
36 costs incurred in providing any and all information specified in
37 this section, except information specified in subdivisions (a) to
38 (e), inclusive:

39 (a) To enable the director or his or her representative to carry
40 out his or her responsibilities under this code.

1 (b) To properly present a claim for benefits.

2 (c) To acquaint a worker or his or her authorized agent with his
3 or her existing or prospective right to benefits.

4 (d) To furnish an employer or his or her authorized agent with
5 information to enable him or her to fully discharge his or her
6 obligations or safeguard his or her rights under this division or
7 Division 3 (commencing with Section 9000).

8 (e) To enable an employer to receive a reduction in contribution
9 rate.

10 (f) To enable federal, state, or local government departments
11 or agencies, subject to federal law, to verify or determine the
12 eligibility or entitlement of an applicant for, or a recipient of, public
13 social services provided pursuant to Division 9 (commencing with
14 Section 10000) of the Welfare and Institutions Code, or Part A of
15 Title IV of the Social Security Act, where the verification or
16 determination is directly connected with, and limited to, the
17 administration of public social services.

18 (g) To enable county administrators of general relief or
19 assistance, or their representatives, to determine entitlement to
20 locally provided general relief or assistance, where the
21 determination is directly connected with, and limited to, the
22 administration of general relief or assistance.

23 (h) To enable state or local governmental departments or
24 agencies to seek criminal, civil, or administrative remedies in
25 connection with the unlawful application for, or receipt of, relief
26 provided under Division 9 (commencing with Section 10000) of
27 the Welfare and Institutions Code or to enable the collection of
28 expenditures for medical assistance services pursuant to Part 5
29 (commencing with Section 17000) of Division 9 of the Welfare
30 and Institutions Code.

31 (i) To provide any law enforcement agency with the name,
32 address, telephone number, birth date, social security number,
33 physical description, and names and addresses of present and past
34 employers, of any victim, suspect, missing person, potential
35 witness, or person for whom a felony arrest warrant has been
36 issued, when a request for this information is made by any
37 investigator or peace officer as defined by Sections 830.1 and
38 830.2 of the Penal Code, or by any federal law enforcement officer
39 to whom the Attorney General has delegated authority to enforce
40 federal search warrants, as defined under Sections 60.2 and 60.3

1 of Title 28 of the Code of Federal Regulations, as amended, and
2 when the requesting officer has been designated by the head of
3 the law enforcement agency and requests this information in the
4 course of and as a part of an investigation into the commission of
5 a crime when there is a reasonable suspicion that the crime is a
6 felony and that the information would lead to relevant evidence.
7 The information provided pursuant to this subdivision shall be
8 provided to the extent permitted by federal law and regulations,
9 and to the extent the information is available and accessible within
10 the constraints and configurations of existing department records.
11 Any person who receives any information under this subdivision
12 shall make a written report of the information to the law
13 enforcement agency that employs him or her, for filing under the
14 normal procedures of that agency.

15 (1) This subdivision shall not be construed to authorize the
16 release to any law enforcement agency of a general list identifying
17 individuals applying for or receiving benefits.

18 (2) The department shall maintain records pursuant to this
19 subdivision only for periods required under regulations or statutes
20 enacted for the administration of its programs.

21 (3) This subdivision shall not be construed as limiting the
22 information provided to law enforcement agencies to that pertaining
23 only to applicants for, or recipients of, benefits.

24 (4) The department shall notify all applicants for benefits that
25 release of confidential information from their records will not be
26 protected should there be a felony arrest warrant issued against
27 the applicant or in the event of an investigation by a law
28 enforcement agency into the commission of a felony.

29 (j) To provide public employee retirement systems in California
30 with information relating to the earnings of any person who has
31 applied for or is receiving a disability income, disability allowance,
32 or disability retirement allowance, from a public employee
33 retirement system. The earnings information shall be released only
34 upon written request from the governing board specifying that the
35 person has applied for or is receiving a disability allowance or
36 disability retirement allowance from its retirement system. The
37 request may be made by the chief executive officer of the system
38 or by an employee of the system so authorized and identified by
39 name and title by the chief executive officer in writing.

1 (k) To enable the Division of Labor Standards Enforcement in
2 the Department of Industrial Relations to seek criminal, civil, or
3 administrative remedies in connection with the failure to pay, or
4 the unlawful payment of, wages pursuant to Chapter 1
5 (commencing with Section 200) of Part 1 of Division 2 of, and
6 Chapter 1 (commencing with Section 1720) of Part 7 of Division
7 2 of, the Labor Code.

8 (l) To enable federal, state, or local governmental departments
9 or agencies to administer child support enforcement programs
10 under Title IV of the Social Security Act (42 U.S.C. Sec. 651 et
11 seq.).

12 (m) To provide federal, state, or local governmental departments
13 or agencies with wage and claim information in its possession that
14 will assist those departments and agencies in the administration
15 of the Victims of Crime Program or in the location of victims of
16 crime who, by state mandate or court order, are entitled to
17 restitution that has been or can be recovered.

18 (n) To provide federal, state, or local governmental departments
19 or agencies with information concerning any individuals who are
20 or have been:

21 (1) Directed by state mandate or court order to pay restitution,
22 fines, penalties, assessments, or fees as a result of a violation of
23 law.

24 (2) Delinquent or in default on guaranteed student loans or who
25 owe repayment of funds received through other financial assistance
26 programs administered by those agencies. The information released
27 by the director for the purposes of this paragraph shall not include
28 unemployment insurance benefit information.

29 (o) To provide an authorized governmental agency with any or
30 all relevant information that relates to any specific workers'
31 compensation insurance fraud investigation. The information shall
32 be provided to the extent permitted by federal law and regulations.
33 For the purposes of this subdivision, "authorized governmental
34 agency" means the district attorney of any county, the office of
35 the Attorney General, the Department of Industrial Relations, and
36 the Department of Insurance. An authorized governmental agency
37 may disclose this information to the State Bar, the Medical Board
38 of California, or any other licensing board or department whose
39 licensee is the subject of a workers' compensation insurance fraud
40 investigation. This subdivision shall not prevent any authorized

1 governmental agency from reporting to any board or department
2 the suspected misconduct of any licensee of that body.

3 (p) To enable the Director of the Bureau for Private
4 Postsecondary and Vocational Education, or his or her
5 representatives, to access unemployment insurance quarterly wage
6 data on a case-by-case basis to verify information on school
7 administrators, school staff, and students provided by those schools
8 who are being investigated for possible violations of Chapter 7
9 (commencing with Section 94700) of Part 59 of the Education
10 Code.

11 (q) To provide employment tax information to the tax officials
12 of Mexico, if a reciprocal agreement exists. For purposes of this
13 subdivision, “reciprocal agreement” means a formal agreement to
14 exchange information between national taxing officials of Mexico
15 and taxing authorities of the State Board of Equalization, the
16 Franchise Tax Board, and the Employment Development
17 Department. Furthermore, the reciprocal agreement shall be limited
18 to the exchange of information that is essential for tax
19 administration purposes only. Taxing authorities of the State of
20 California shall be granted tax information only on California
21 residents. Taxing authorities of Mexico shall be granted tax
22 information only on Mexican nationals.

23 (r) To enable city and county planning agencies to develop
24 economic forecasts for planning purposes. The information shall
25 be limited to businesses within the jurisdiction of the city or county
26 whose planning agency is requesting the information, and shall
27 not include information regarding individual employees.

28 (s) To provide the State Department of Developmental Services
29 with wage and employer information that will assist in the
30 collection of moneys owed by the recipient, parent, or any other
31 legally liable individual for services and supports provided pursuant
32 to Chapter 9 (commencing with Section 4775) of Division 4.5 of,
33 and Chapter 2 (commencing with Section 7200) and Chapter 3
34 (commencing with Section 7500) of Division 7 of, the Welfare
35 and Institutions Code.

36 (t) Nothing in this section shall be construed to authorize or
37 permit the use of information obtained in the administration of this
38 code by any private collection agency.

39 (u) The disclosure of the name and address of an individual or
40 business entity that was issued an assessment that included

1 penalties under Section 1128 or 1128.1 shall not be in violation
2 of Section 1094 if the assessment is final. The disclosure may also
3 include any of the following:

4 (1) The total amount of the assessment.

5 (2) The amount of the penalty imposed under Section 1128 or
6 1128.1 that is included in the assessment.

7 (3) The facts that resulted in the charging of the penalty under
8 Section 1128 or 1128.1.

9 (v) To enable the Contractors' State License Board to verify
10 the employment history of an individual applying for licensure
11 pursuant to Section 7068 of the Business and Professions Code.

12 (w) To provide any peace officer with the Division of
13 Investigation in the Department of Consumer Affairs information
14 pursuant to subdivision (i) when the requesting peace officer has
15 been designated by the Chief of the Division of Investigations and
16 requests this information in the course of and in part of an
17 investigation into the commission of a crime or other unlawful act
18 when there is reasonable suspicion to believe that the crime or act
19 may be connected to the information requested and would lead to
20 relevant information regarding the crime or unlawful act.

21 (x) To enable the Labor Commissioner of the Division of Labor
22 Standards Enforcement in the Department of Industrial Relations
23 to identify, pursuant to Section 90.3 of the Labor Code, unlawfully
24 uninsured employers. The information shall be provided to the
25 extent permitted by federal law and regulations.

26 (y) To enable the Chancellor of the California Community
27 Colleges, in accordance with the requirements of Section 84754.5
28 of the Education Code, to obtain quarterly wage data, commencing
29 January 1, 1993, on students who have attended one or more
30 community colleges, to assess the impact of education on the
31 employment and earnings of students, to conduct the annual
32 evaluation of district-level and individual college performance in
33 achieving priority educational outcomes, and to submit the required
34 reports to the Legislature and Governor. The information shall be
35 provided to the extent permitted by federal statutes and regulations.

36 (z) *To enable the Public Employees' Retirement System to seek*
37 *criminal, civil, or administrative remedies in connection with the*
38 *unlawful application for, or receipt of, benefits provided under*
39 *Part 3 (commencing with Section 20000) of Division 5 of Title 2*
40 *of the Government Code.*

~~SEC. 11.~~

SEC. 10. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.